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INTRODUCTION

Women's Justice Center (WJC) entered into contract numbers DV-00-82001-3, TSH-00-82001-3, ES-02-82023-1, ES-00-82053-3, DVPT-03-82001, TSH-03-82001-1, ES-02-82023-2, and ES-00-82053-4 with the Michigan Family Independence Agency (FIA). These contracts required WJC to provide emergency shelter, 24 hour hotline, crisis, support, counseling, ongoing support and advocacy, community education, emergency intervention, legal advocacy, individual, family, and group counseling services for victims of domestic violence and sexual assault, and training for police, prosecutors, advocates and court personnel, and transitional supportive housing, community education and prevention services. WJC was reimbursed for actual costs incurred for the DV, TSH, DVPT contracts, and for units of service provided for the ES contracts, through submission of monthly billings to FIA. The DV, TSH, ES contracts totaled \$610,632.33, and covered the period October 1, 2001 through September 30, 2002. The DVPT, TSH, ES contracts totaled \$656,570 for the period October 1, 2002 through September 30, 2003.

In addition, WJC entered into contracts with the Crime Victim Services Commission through the Michigan Department of Community Health (DCH) to expand and enhance local services available to crime victims; and with the City of Detroit – BYRNE Memorial Grant to provide legal assistance to victims of domestic violence. The DCH contract totaled \$162,380 for the period October 1, 2001 through September 30, 2002 and \$166,720 for the period October 1, 2002 through September 30, 2003.

The City of Detroit-Byrne Memorial Grant totaled \$59,445.79 for the period October 1, 2001 through September 30, 2002. The grant totaled \$59,445.79 for the period October 1, 2002 through September 30, 2003. Current year expenditures were not yet billed.

SCOPE

The Office of Internal Audit performed an audit of Women's Justice Center to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and other relevant documentation, in accordance with the terms of the contract. Our audit covered the period October 1, 2001 through December 31, 2002.

EXECUTIVE SUMMARY

Based on our audit, we conclude that Women's Justice Center over billed costs for the DV and TSH contracts, and under billed costs for the ES contracts for fiscal year 2002. The Executive Director at WJC also held the position of Legal Director, was paid for both positions, and WJC billed FIA for both positions. WJC properly billed FIA for the DVPT and the ES contract for emergency food and shelter for fiscal year 2003. WJC over billed the VOCA contract for travel, supplies and miscellaneous costs for fiscal year 2002, and properly billed that contract for fiscal year 2003. WJC also over billed the BYRNE Memorial agreement other expense for fiscal year 2002. Our report recommends that the Service Delivery Administration initiate the process to recoup \$7,527 from Women's Justice Center for overbilled costs for the fiscal year 2002. Our report also recommends that the Service Delivery Administration initiate the process to recoup \$1,676 from the Women's Justice Center for overvilled costs for the fiscal year 2003.

By copy of this report, we are informing the Department of Community Health and the Wayne County Prosecutor's Office of the overbillings we identified for their contracts/agreements, so that they may take whatever action they determine is appropriate.

AGENCY RESPONSE

The management of the Women's Justice Center has reviewed all findings and recommendations included in this report. They indicated in a letter dated July 15, 2003 that they are in general agreement with the report, and will implement the recommendations.

FINDINGS AND RECOMMENDATIONS

Fiscal Year 2002

All Contracts

Salaries

1. WJC did not properly document employees' time and activity for each of the contracts per federal requirements. Employees working 100% on a contract did not indicate on their time sheet that all of their time was spent on that program. Employees who worked on more than one program did not report their time by hours spent per contract and activity.

WE RECOMMEND the Service Delivery Administration instruct WJC to properly document employee time and activity in accordance with federal requirements.

General Ledger

2. WJC did not have expenditures in the general ledger properly allocated by contract type for the period October 1, 2001 through December 31, 2002. The expenses were not recorded by grant and were not properly allocated to each program. Expenses not allocated by contract do not provide the necessary audit trail for management to monitor expenses or bill grantor agencies for expenses incurred for their programs.

WE RECOMMEND the Service Delivery Administration instruct WJC to develop a general ledger that documents expenses by grant, and properly allocates costs to each of the programs.

Contract #DV 00-82001

Equipment and Local Transportation

3. WJC underbilled FIA \$595.04 for equipment and overbilled Local Transportation \$513.90 because they billed copier costs under the local transportation line item instead of the equipment line item, and they did not bill the copier cost at all for one month.

Miscellaneous

4. WJC overbilled FIA \$349.55 for miscellaneous expense because they billed for advertising expense, which is not an allowable cost under the terms of the contract.

Case File Review

5. We reviewed 23 out of 491 case records and found very few case notes in the file. We were later informed the therapist maintains the case notes in a separate file, but we did not verify this information.

Contract #TSH-00-82001-2

Salaries

6. WJC overbilled FIA \$8,106.03 for salaries because they billed one employee's salary to two contracts (\$7,706.73) and they billed a contractual Interim Executive Director's fee under the salaries line item (\$400). The contractual fee was not an allowable cost under the terms of the contract.

Fringe Benefits

7. WJC overbilled FIA \$906.24 for fringe benefits related to the disallowed salaries from finding #5.

Contractual Services

8. WJC overbilled FIA \$500 for two contractual employees: the Interim Director and the Interim Accountant. Contractual Services are not allowable costs under the terms of the contract.

Case File Review

9. There were no exceptions noted in 14 case files reviewed.

Contract # ES-02-82023

Units of Service - Meals

10. WJC underbilled FIA \$286 for meals served to eligible clients. WJC incorrectly calculated units of service because their records did not clearly indicate the number of meals served to each client.

Contract #ES-00-82053-3

Units of Service - Transitional Assistance

11. WJC underbilled FIA \$1,967.66 for transitional assistance. WJC incorrectly calculated units of service because their records did not clearly indicate the time spent with each client or the monthly total.

Case File Review

12. WJC maintained client case files in accordance with contract requirements. No exceptions were noted.

WE RECOMMEND the Service Delivery Administration initiate the process to recoup \$7,527 $(-595.04+513.90+349.55+8,106.03+906.24+500.00-286.00-1967.66)$ from Women's Justice Center for the net amount overbilled for FY 2002 contracts.

FISCAL YEAR 2003

Contract #DVPT-03-82001-1

Salaries

13. WJC overbilled FIA \$936.93 because they charged the Executive Director's salary as Executive Director, and also as Legal Services Director. In addition, WJC underbilled FIA \$1,107.69 because they did not bill for the accountant's salary, which was an allowable cost under the terms of the budget.

Contract #TSH-03-82001-1

Salaries

14. WJC overbilled FIA a net amount of \$1,628 for salaries because they billed for an employee who was no longer working at the agency, and they did not bill for the employee who replaced the the departed employee.

Fringe Benefits

15. WJC overbilled FIA \$445.53 for fringe benefits related to the disallowed salaries from finding #14.

Contract #ES-00-82053-4

Units of Service – Transitional Assistance

16. WJC underbilled FIA \$226.46 for 8.45 units of Transitional Assistance. WJC's records were difficult to follow and they missed these units when calculating the units to bill.

WE RECOMMEND that the Service Delivery Administration initiate the process to recoup the net amount of \$1,676 ($936.93 - 1,107.69 + 1,628.00 + 445.53 - 226.46$) from the Women's Justice Center for the FY 2003 contracts.

VOCA-CVA Project #20669-4V01

Local Transportation

17. WJC overbilled VOCA \$101.86 for local transportation costs due to December 2001 expenses not being documented and a duplicate mileage charge being billed.

Supplies

18. WJC overbilled VOCA \$211 for supplies due to \$111 of December 2001 expenses not being documented and supported, and \$100 overbilled in the month of November 2001.

Other Expense

19. WJC overbilled VOCA \$120 for Other Expense due to the December 2001 expenses not being documented and supported.

BYRNE Memorial Grant

Operating Expenses

20. WJC overbilled the City of Detroit \$1,766.16 for undocumented operating expenses. WJC did not identify specific operating expenses related to this grant and billed the full amount.